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# A BILL FOR AN ACT

RELATING TO THE CIVIL MONETARY PENALTY SPECIAL FUND.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Chapter 321, Hawaii Revised Statutes, is  
2       amended by adding a new section to be appropriately designated  
3       and to read as follows:  
4       "§321-       Civil monetary penalty special fund. (a) There  
5       is established the civil monetary penalty special fund, to be  
6       administered by the department of health. The fund shall  
7       consist of moneys collected by the United States Department of  
8       Health and Human Services Centers for Medicare and Medicaid  
9       Services as federally imposed civil monetary penalty funds when  
10       health care facilities or agencies do not meet medicare  
11       certification requirements as determined by the department of  
12       health when it conducts medicare certification surveys and  
13       complaint investigations on health care facilities or agencies  
14       in Hawaii in accordance with section 1864 of the Social Security  
15       Act. Moneys in the fund shall be expended by the department of  
16       health as approved by the Centers for Medicare and Medicaid  
17       Services. Not more than \$30,000 of the moneys in the fund may



1 be used during any fiscal year for the activities carried out by  
2 the department of health as approved by the Centers for Medicare  
3 and Medicaid Services.

4 (b) Pursuant to federal law, civil monetary penalty  
5 special fund moneys shall not be subject to deposit into the  
6 general fund for any reason.

7 (c) The department of health shall submit a report to the  
8 legislature concerning the status of the civil monetary penalty  
9 special fund, including the amount of moneys deposited into and  
10 expended from the civil monetary penalty special fund, and the  
11 sources of receipts and uses of expenditures, no later than  
12 twenty days prior to the convening of each regular session."

13 SECTION 2. There is appropriated out of the civil monetary  
14 penalty special fund the sum of \$                      or so much thereof as  
15 may be necessary for fiscal year 2015-2016 for purposes as  
16 approved by the Centers for Medicare and Medicaid Services.

17 The sum appropriated shall be expended by the department of  
18 health for purposes of this Act.

19 SECTION 3. Section 36-27, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:



1       "(a) Except as provided in this section, and  
2 notwithstanding any other law to the contrary, from time to  
3 time, the director of finance, for the purpose of defraying the  
4 prorated estimate of central service expenses of government in  
5 relation to all special funds, except the:

6       (1) Special out-of-school time instructional program fund  
7       under section 302A-1310;

8       (2) School cafeteria special funds of the department of  
9       education;

10      (3) Special funds of the University of Hawaii;

11      (4) State educational facilities improvement special fund;

12      (5) Convention center enterprise special fund under  
13      section 201B-8;

14      (6) Special funds established by section 206E-6;

15      (7) Housing loan program revenue bond special fund;

16      (8) Housing project bond special fund;

17      (9) Aloha Tower fund created by section 206J-17;

18      (10) Funds of the employees' retirement system created by  
19      section 88-109;

20      (11) Hawaii hurricane relief fund established under chapter  
21      431P;



- 1 (12) Hawaii health systems corporation special funds and  
2 the subaccounts of its regional system boards;  
3 (13) Tourism special fund established under section 201B-  
4 11;  
5 (14) Universal service fund established under section 269-  
6 42;  
7 (15) Emergency and budget reserve fund under section 328L-  
8 3;  
9 (16) Public schools special fees and charges fund under  
10 section 302A-1130;  
11 (17) Sport fish special fund under section 187A-9.5;  
12 (18) Glass advance disposal fee established by section  
13 342G-82;  
14 (19) Center for nursing special fund under section 304A-  
15 2163;  
16 (20) Passenger facility charge special fund established by  
17 section 261-5.5;  
18 (21) Court interpreting services revolving fund under  
19 section 607-1.5;  
20 (22) Hawaii cancer research special fund;  
21 (23) Community health centers special fund;



- 1 (24) Emergency medical services special fund;
- 2 (25) Rental motor vehicle customer facility charge special
- 3 fund established under section 261-5.6;
- 4 (26) Shared services technology special fund under section
- 5 27-43;
- 6 (27) Automated victim information and notification system
- 7 special fund established under section 353-136; ~~and~~
- 8 (28) Deposit beverage container deposit special fund under
- 9 section 342G-104 ~~[7]~~; and
- 10 (29) Civil monetary penalty special fund under section 321-

11 \_\_\_\_\_,

12 shall deduct five per cent of all receipts of all special funds,

13 which deduction shall be transferred to the general fund of the

14 State and become general realizations of the State. All

15 officers of the State and other persons having power to allocate

16 or disburse any special funds shall cooperate with the director

17 in effecting these transfers. To determine the proper revenue

18 base upon which the central service assessment is to be

19 calculated, the director shall adopt rules pursuant to chapter

20 91 for the purpose of suspending or limiting the application of

21 the central service assessment of any fund. No later than



1 twenty days prior to the convening of each regular session of  
2 the legislature, the director shall report all central service  
3 assessments made during the preceding fiscal year."

4 SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) Each special fund, except the:

7 (1) Transportation use special fund established by section  
8 261D-1;

9 (2) Special out-of-school time instructional program fund  
10 under section 302A-1310;

11 (3) School cafeteria special funds of the department of  
12 education;

13 (4) Special funds of the University of Hawaii;

14 (5) State educational facilities improvement special fund;

15 (6) Special funds established by section 206E-6;

16 (7) Aloha Tower fund created by section 206J-17;

17 (8) Funds of the employees' retirement system created by  
18 section 88-109;

19 (9) Hawaii hurricane relief fund established under section  
20 431P-2;



- 1 (10) Convention center enterprise special fund established
- 2 under section 201B-8;
- 3 (11) Hawaii health systems corporation special funds and
- 4 the subaccounts of its regional system boards;
- 5 (12) Tourism special fund established under section 201B-
- 6 11;
- 7 (13) Universal service fund established under section 269-
- 8 42;
- 9 (14) Emergency and budget reserve fund under section 328L-
- 10 3;
- 11 (15) Public schools special fees and charges fund under
- 12 section 302A-1130;
- 13 (16) Sport fish special fund under section 187A-9.5;
- 14 (17) Center for nursing special fund under section 304A-
- 15 2163;
- 16 (18) Passenger facility charge special fund established by
- 17 section 261-5.5;
- 18 (19) Court interpreting services revolving fund under
- 19 section 607-1.5;
- 20 (20) Hawaii cancer research special fund;
- 21 (21) Community health centers special fund;



- 1 (22) Emergency medical services special fund;
- 2 (23) Rental motor vehicle customer facility charge special
- 3 fund established under section 261-5.6;
- 4 (24) Shared services technology special fund under section
- 5 27-43;
- 6 (25) Nursing facility sustainability program special fund,
- 7 under Act 156, Session Laws of Hawaii 2012;
- 8 (26) Automated victim information and notification system
- 9 special fund established under section 353-136; [and]
- 10 (27) Hospital sustainability program special fund under Act
- 11 217, Session Laws of Hawaii 2012[7]; and
- 12 (28) Civil monetary penalty special fund under 321- ,
- 13 shall be responsible for its pro rata share of the
- 14 administrative expenses incurred by the department responsible
- 15 for the operations supported by the special fund concerned."

16 SECTION 5. Statutory material to be repealed is bracketed

17 and stricken. New statutory material is underscored.

18 SECTION 6. This Act shall take effect on July 1, 2030.



**Report Title:**

Civil Monetary Penalty Special Fund; Medicare Penalties

**Description:**

A special fund is needed to deposit moneys from federal fines assessed against skilled nursing facilities and home health agencies during inspections conducted by the Department of Health on behalf of the U.S. Centers for Medicare and Medicaid Services. These moneys cannot be comingled with any other federal or state funds. (HB943 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

